UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

LOGICALIS, INC.
a New York corporation,

     Plaintiff,

                                   Case No. 20-

vs.   Hon.

OBJECT EDGE, INC.,
a California corporation,

     Defendant.

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FRANK & FRANK LAW
By: JONATHAN B. FRANK (P42656)
JANETTE E. FRANK (P42661)
Attorneys for Plaintiffs
3910 Telegraph Road, Suite 200
Bloomfield Hills, Michigan 48302-1461
(248) 723-8691
jonfrank@frankandfranklaw.com
janfrank@frankandfranklaw.com

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COMPLAINT

1.   Plaintiff Logicalis, Inc. ("Logicalis") is a provider of IT solutions and managed services.

2.   Logicalis is a New York corporation with its principal place of business in New York, New York.

3.   Defendant Object Edge, Inc. ("Object Edge") is a provider of eCommerce implemention services.

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4. Object Edge is a California corporation with its principal place of business in Walnut Creek, California.

5. In this action, Logicalis seeks to recover money that Logicalis spent in excess of its contractual obligation to Object Edge in order to receive the same services that Object Edge was obligated to provide.

Jurisdiction and Venue

6. The amount in controversy exceeds $75,000.

7. This Court has jurisdiction under 28 U.S.C. §1332(a)(1).

8. Venue is proper in this Court under 28 U.S.C. §1391(b)(2) because a substantial part of the events or omissions giving rise to the claim occurred in Michigan.

9. This action should be governed by Michigan law as specified in the contract between the parties.

Background Facts

10. Effective February 27, 2018, Logicalis and Object Edge entered into a Master Consulting Services Agreement (the "Agreement"). Exhibit A.

11. Object Edge was introduced to Logicalis by Oracle.

12. On or about March 1, 2018, Logicalis and Object Edge entered into a Statement of Work ("SOW1"). The amount of SOW1 was $625,000.

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13.   Pursuant to SOW1, Object Edge was to implement the Oracle Commerce Cloud and Oracle Product Hub. This would allow Logicalis to sell products on-line.

14.   Logicalis and Object Edge signed a Change Order on or about November 19, 2018 to extend the scope of Object Edge's services.

15.   The amount of this Change Order was $87,200.

16.   The parties met in Austin, Texas at the end of April, 2019 to discuss the status of the project.

17.   Object Edge had encountered difficulty importing certain supplier product data, known to the parties as "Supplier data," and matching that to "CNET enrichment data."

18.   The CNET data contains comprehensive enrichment attributes about products that Logicalis intended to post for sale on its website.

19.   It was critical that the Supplier data be imported and organized to be properly displayed on the Logicalis website.

20.   Object Edge drafted a document entitled CNET Impact Planning – MVP Scope Definition on or about May 4, 2019.

21.   Object Edge represented that it had the capability to resolve the problem importing and matching Supplier data with CNET enrichment data.

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22.   Based on Object Edge's representation, Logicalis and Object Edge signed a second Statement of Work ("SOW2") in June 2019.

23.   The deadline for completion of the work in SOW2 was September 30, 2019.

24.   The amount of SOW2 was $281,360.

25.   In sum, Logicalis contracted with Object Edge for services for which Logicalis agreed to pay Object Edge $993,560.

26.   To date, Logicalis has paid Object Edge $712,200.

27.   Object Edge did not complete the work required by SOW2.

28.   Despite its representations, Object Edge was not technically capable of designing a method to successfully import and match Supplier data with CNET enrichment data.

29.   In mid-September 2019, Object Edge belatedly realized that it needed to "build additional preprocessing rules."

30.   However, Object Edge was unable to do so.

31.   By the time Object Edge made this suggestion, it was impossible for Object Edge to complete work by September 30, 2019.

32.   As of the expiration of SOW2 on September 30, 2019, Object Edge had only been able to match roughly 30% of the Supplier data to the CNET enrichment data.

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33.   Object Edge suggested at the end of September 2019 that SOW2 be extended and that Logicalis pay Object Edge more money to finish the project.

34.   Logicalis refused to agree to Object Edge's request because Object Edge had demonstrated that it was incapable of performing the work.

35.   Oracle confirmed that Object Edge was incapable of performing the work.

36.   In short, Object Edge oversold its technical capabilities.

37.   Object Edge now claims that it is entitled to the balance due of $230,093 for SOW2, plus certain expenses.

38.   Logicalis had to find substitute vendors to complete the work Object Edge was obligated to complete.

39.   To date, Logicalis has spent an additional $429,748 with the substitute vendors.

40.   As a result, Logicalis has now spent a total of $1,141,948 for the services Object Edge was contractually obligated to complete for $993,560, a difference of $148,388.

41.   Logicalis has also incurred additional costs related to the use of internal resources, which would have been unnecessary if Object Edge had performed its contractual obligations.

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42.   The final amount Logicalis needs to spend to receive the services Object Edge was required to provide has yet to be determined.

43.   In this case, Logicalis seeks to recover that final amount from Object Edge.

COUNT ONE – BREACH OF CONTRACT

44.   Logicalis incorporates the previous allegations.

45.   Object Edge breached its contractual obligations to Logicalis.

46.   As a proximate result, Logicalis has been damaged in an amount in excess of $75,000.

47.   Logicalis is entitled to recover its attorney fees under the Agreement.

WHEREFORE, Logicalis requests a judgment against Object Edge in an amount in excess of $75,000, plus interest, attorney fees, and costs.

COUNT TWO – FRAUD

48.   Logicalis incorporates the previous allegations.

49.   In order to obtain the contract with Logicalis, and specifically SOW2, Object Edge falsely and/or recklessly misrepresented its technical capabilities.

50.   Logicalis justifiably relied on Object Edge's misrepresentations and entered into the Agreement, SOW1, the Change Order, and SOW2.

51.   Object Edge was never capable of performing SOW2.

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52.   Object Edge knew or should have known that it was never capable of performing SOW2.

53.   As a proximate result, Logicalis has been damaged in an amount in excess of $75,000.

54.   Logicalis is entitled to recover its attorney fees under the Agreement.

WHEREFORE, Logicalis requests a judgment against Object Edge in an amount in excess of $75,000, plus interest, attorney fees, and costs.

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/s/ Jonathan B. Frank
JONATHAN B. FRANK (P42656)
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Attorneys for Plaintiffs
3910 Telegraph Road, Suite 200
Bloomfield Hills, Michigan 48302-1461
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janfrank@frankandfranklaw.com

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